



BELOW MARKET RATE (BMR) OWNERSHIP PROGRAM RESALE MARKETING GUIDELINES

The purpose of these guidelines is to provide a list of the minimum elements that the City considers are required to be followed by a Below Market Rate (BMR) unit owner as good faith efforts to market the BMR unit effectively and successfully sell within the prescribed timeframes of the Resale Restriction Agreement.

- Per the Resale Restrictions, the seller is responsible for payment of all real estate sales commissions arising from the purchase and sale of the property. New State Law contradicts, all commissions are negotiable, and the buyer may pay a sales commission directly to their agent. Do the Resale Restrictions supersede the new State Law?
- The standard for City BMR commissions provides for a maximum 3% commission of the sale price for the seller's agent, the buyer's agent.
- The buyer and seller must have separate representations. Dual Agency is not allowed unless the buyer is unrepresented and asks for the listing agent to complete the sales contract. Two different agents from the same brokerage are allowed. Under new law, a buyer can be self-represented or may ask the listing agent to complete the sales contract.
- The unit must be listed on the Multiple Listing Service (MLS) so that real estate agents know about the listing. The MLS listing will need to indicate that the Seller is willing to consider offers asking for concessions. Inclusion of the following information in advertisements for the units on MLS and other internet real estate listing sites:
 - Notice that the unit is a Below Market Rate unit, the maximum income limits for the buyer, the sales price, the number of bedrooms in the unit, square footage, the date that offers will be opened/reviewed, and that offers are subject to a selection lottery.
- All listing agreements should have an expiration date of no longer than 6 months. Following the expiration date, if the Owner desires to continue to sell the BMR unit, the BMR unit must go back for review and approval by the City, this includes an updated max-resale price evaluation based on the current Affordable Housing Table in use at the time of the expiration.
- The BMR Unit Owner and agent shall make the home available for showings including a broker's open, weekend open houses, and individual showings with interested buyers and agents representing interested buyers.
- It is important to note that the City will require that the seller of a BMR unit counters a request by a potential buyer to waive contingencies to ensure that this waiver of contingencies is not a primary driver in the overall buyer selection criteria.
- All offers received must allow the agreement to be contingent on the seller paying for all or a portion of the compensation that the buyer owes its broker up to 3% of the sales price. If this is not included in the initial offer, the seller must counter the potential buyer with this program requirement.

- If there is more than one offer submitted by the published offer date deadline, the city will require a lottery to determine what offer will be selected to move forward into a purchase and sale contract.
- The purchase contract must follow the usual and customary closing and title fees as noted in the chart below.
- BMR Unit must be actively listed for at least 3 weeks before accepting an offer.
- Outdoor signs may only be placed on privately-owned land, not within the public right-of-way.
- To provide evidence that the public has been given an adequate chance to view and submit an offer on the property; the City reserves the right to request:
 - Proof of the open house(s), such as with a copy of the ad.
 - A screen shot of the MLS listing where the date is identified when offers were to be opened/reviewed.
- Evidence that the date the offers were to be opened/reviewed was posted at the open house.

Note: It is important to note that it is in the best interest of the seller and the seller's agent to have back-up offers on hand, in case the initial buyer is unable to qualify.

Below is a list of usual and customary sales costs in a BMR resale transaction and which items must be paid by the seller.

Usual and Customary Seller Sale Costs BMR Resales		
	Seller	Buyer
Hazard Report	X	
Escrow Fee		X
Owner's Title Policy		X
County Transfer Tax*	X	
HOA Transfer Fee		X
HOA Fees for Preparing Documents	X	
Real Estate Commissions*	X	
City's BMR Resale Fee/Loan Payoff Fee	X	
City Transfer Tax (<i>BMR Units are exempt</i>)	N/A	N/A

* Must be paid by the Seller.